

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00
INRE-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
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LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15 STR-04
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FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC IMMEDIATE 4609

C O N F I D E N T I A L BUCHAREST 5564

E.O. 11652: GDS

TAGS: EEWT, EGEN, EINV, RO

SUBJECT: POSSIBLE EXCLUSION OF ROMANIA FROM OPIC PROGRAM

REF: STATE 170020

1. AS MENTIONED IN REFTTEL, OPIC PROGRAMS HAVE NOT BEEN ACTIVE IN ROMANIA SINCE APRIL 28, 1973 SIGNING OF BILATERAL AGREEMENT AUTHORIZING OPIC INSURANCE PROGRAMS FOR ROMANIA. ON COUPLE OF OCCASIONS, A PROJECT INVOLVING OPIC APPEARED CLOSE TO FRUITATION ONLY TO FALL BY WAYSIDE AT LAST MINUTE. HOWEVER, ABSENCE OF POSITIVE RESULTS SHOULD NOT BE TAKEN TO MEAN THAT OPIC PROGRAM NOT IMPORTANT TO FAVORABLE DEVELOPMENT OF U.S.-ROMANIAN RELATIONS. FOR EXAMPLE, GOR OFFICIALS HAVE OFTEN EXPRESSED IMPORTANCE OF COOPERATION PROJECTS, MOST RECENTLY IN MORE PRACTICAL TERMS AT NEW YORK MEETING OF ECONOMIC COUNCIL INCLUDING U.S. EQUITY INVESTMENTS, TO EXPANSION OF U.S.-ROMANIAN COMMERCIAL RELATIONS.

2. IMPACT OF DROPPING ROMANIA FROM OPIC PROGRAM ELIGIBILITY SHOULD BE WEIGHED AGAINST POLITICAL IMPACT THIS ACTION WOULD HAVE ON WHAT WE TRYING TO ACCOMPLISH IN TERMS OF OUR POLICY OF ENCOURAGING EXPANDED ROMANIAN CONTACT WITH THE REST OF THE WORLD. IN THE ECONOMIC AREA, THIS STEP COULD BE SEEN BY THE GOR AS UNILATERAL
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DETERMINATION BY THE U.S. TO EFFECT THAT ROMANIA IS MOVING OUT OF THE CATEGORY OF DEVELOPING NATIONS AND THAT THIS IS A PRELUDE TO THE DROPPING OF ROMANIA FROM LIST OF COUNTRIES ELIGIBLE FOR U.S. GSP. MEANWHILE THIS WOULD BE HAPPENING AT A TIME WHEN ROMANIA, IN ITS RELATIONS WITH THE THIRD WORLD, IS STILL ACTIVELY CAPITALIZING ON ITS CLASSIFICATION AS A DEVELOPING NATION.

3. FOR THE FOREGOING REASONS, WE FEEL IT WOULD BE A NGSTAKE AT THIS STAGE IN U.S.-ROMANIAN RELATIONS TO EXCLUDE ROMANIA FROM LIST OF COUNTRIES ELIGIBLE FOR OPIC PROGRAMS. NOW, WHEN OUR RELATIONS WITH ROMANIA ARE DEVELOPING IN A RELATIVELY HARMONIOUS FASHION, IS NOT THE TIME TO BE TAKING AN AVOIDABLE NEGATIVE MEASURE.

4. ACTION REQUESTED: WE REQUEST THAT THE DEPARTMENT INCLUDE ROMANIA IN PROPOSED LISTING OF COUNTRIES WHICH ARE SUBJECT TO GENERAL WAIVER BASED ON NATIONAL INTEREST. IF THIS POSITION IS ACCPETED, ALSO REQUEST THAT PREVIOUSLY SCHEDULED (LAST WINTER) VISIT BY OPIC REPRESENTATIVE, WHICH SUBSEQUENTLY CANCELLED AT OPIC'S REQUEST, BE RESCHEDULED FOR EARLY FALL. PURPOSE OF VISIT WOULD BE TO DETERMINE WHAT IS CURRENT LEVEL OF GOR INTEREST IN OPIC PROGRAMS. IF GOR THEN WERE TO EXPRESS LITTLE OR NO INTEREST IN OPIC PROGRAMS, WE MIGHT WISH TO ADVISE THEM THAT ROMANIA WILL EVENTUALLY BE DROPPED FROM LISTING OF ELIGIBLE COUNTRIES, WITH NOTIFICATION TO BE GIVEN SIX MONTHS IN ADVANCE AS IS REQUIRED BY OUR BILATERAL INVESTMENT QUARANTEE AGREEMENT. IN MEANTIME, TO PREPARE FOR OPIC REPRESENTATIVE'S VISIT WE WOULD FOLLOW-UP WITH GOR OFFICIALS (DPMS PATAN AND MICULESCU) WHO HAD EARLIER EXPRESSED INTEREST IN OPIC PROGRAMS. FOR THESE MEETINGS WE NEED RECEIVE CURRENT COPIES OF OPIC PROMOTIONAL MATERIALS.

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Message Attributes

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Sent Date: 26-Jul-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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